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(28)

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY

FINANCIAL STATEMENTS

June 30, 2014 and 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 14 2015**

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friends of Louisiana Connections Academy

Report on the Financial Statements

We have audited the accompanying financial statements of Friends of Louisiana Connections Academy (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Louisiana Connections Academy as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report December 17, 2014, on our consideration of Friends of Louisiana Connections Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Friends of Louisiana Connections Academy's internal control over financial reporting and compliance.

December 17, 2014

Wegmann Daxet + Company

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash	\$ 2,158,918	\$ 3,134,137
Federal grant receivables	106,415	63,555
Due from Connections Academy of Louisiana	9,665	25
Prepaid expenses	11,612	19,327
Property and equipment, at cost less accumulated depreciation	1,684,704	104,081
Other assets	<u>6,682</u>	<u>6,682</u>
Total assets	<u>\$ 3,977,996</u>	<u>\$ 3,327,807</u>
LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 1,157,380</u>	<u>\$ 1,103,787</u>
Total liabilities	<u>1,157,380</u>	<u>1,103,787</u>
NET ASSETS		
Net assets		
Unrestricted	2,820,616	624,020
Unrestricted - board designated	<u>-</u>	<u>1,600,000</u>
Total net assets	<u>2,820,616</u>	<u>2,224,020</u>
Total liabilities and net assets	<u>\$ 3,977,996</u>	<u>\$ 3,327,807</u>

See accompanying Notes to Financial Statements.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted net assets		
Revenues and other support		
State and local pupil aid - Minimum Foundation Program	\$ 10,423,283	\$ 10,228,744
Federal sources	496,650	600,181
Rental income	70,177	-
Other	<u>10,933</u>	<u>20,045</u>
Total revenues and other support	<u>11,001,043</u>	<u>10,848,970</u>
Expenses		
Program services:		
Instructional	7,774,929	7,083,330
Supporting services:		
Management and general	<u>2,629,518</u>	<u>2,418,117</u>
Total expenses	<u>10,404,447</u>	<u>9,501,447</u>
Change in net assets	596,596	1,347,523
Net assets at beginning of year	<u>2,224,020</u>	<u>876,497</u>
Net assets at end of year	<u><u>\$ 2,820,616</u></u>	<u><u>\$ 2,224,020</u></u>

See accompanying Notes to Financial Statements.

**FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
STATEMENTS OF FUNCTIONAL EXPENSES**

For the Years Ended June 30, 2014 and 2013

	2014		
	Program Services	Support Services	
	Instructional	Management and General	Total
Regular education programs	\$ 6,170,210	\$ -	\$ 6,170,210
Special education programs	681,641	-	681,641
Other instruction programs	215,684	-	215,684
Pupil support services	707,394	170,756	878,150
General administrative	-	51,211	51,211
School administrative	-	1,631,334	1,631,334
Business services	-	539,208	539,208
Operations & maintenance of plant services	-	150,968	150,968
Central services	-	86,041	86,041
Total expenses	<u>\$ 7,774,929</u>	<u>\$ 2,629,518</u>	<u>\$ 10,404,447</u>

	2013		
	Program Services	Support Services	
	Instructional	Management and General	Total
Regular education programs	\$ 5,747,574	\$ -	\$ 5,747,574
Special education programs	577,824	-	577,824
Other instruction programs	62,829	-	62,829
Pupil support services	695,103	171,099	866,202
General administrative	-	21,767	21,767
School administrative	-	1,415,527	1,415,527
Business services	-	612,835	612,835
Operations & maintenance of plant services	-	120,279	120,279
Central services	-	76,610	76,610
Total expenses	<u>\$ 7,083,330</u>	<u>\$ 2,418,117</u>	<u>\$ 9,501,447</u>

See accompanying Notes to Financial Statements.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 596,596	\$ 1,347,523
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	42,717	25,072
(Increase) decrease in operating assets:		
Federal grant receivables	(42,860)	189,488
Due from Connections Academy of Louisiana	(9,640)	348,933
Prepaid expenses	7,715	(12,645)
Increase in operating liabilities:		
Accounts payable and accrued expenses	53,593	747,181
Net cash provided by operating activities	<u>648,121</u>	<u>2,645,552</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(1,623,340)</u>	<u>(23,949)</u>
Net cash used by investing activities	<u>(1,623,340)</u>	<u>(23,949)</u>
Net (decrease) increase	(975,219)	2,621,603
Cash and cash equivalents at beginning of year	<u>3,134,137</u>	<u>512,534</u>
Cash and cash equivalents at end of year	<u>\$ 2,158,918</u>	<u>\$ 3,134,137</u>

See accompanying Notes to Financial Statements.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2014 and 2013

1) Summary of significant accounting policies

a) Organization

Friends of Louisiana Connections Academy ("School") is a not-for-profit corporation established in the State of Louisiana in 2009 to operate a charter school, to leverage technology to help each participating student maximize his or her potential and meet the highest performance standards using a uniquely individualized learning program that combines the best in virtual education with unique technology-based teacher productivity tools and very real connections among students, family, teachers, and the community. The Board of Elementary and Secondary Education approved the granting of a charter to the School to operate as a Type 2 Charter School subject to a three-year review. The School provides educational services to students in kindergarten through twelfth grades throughout Louisiana, and is funded primarily through state and local pupil aid assistance.

b) Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recorded when earned and expenses at the time liabilities are incurred. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, by actions of the School. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions and that are to be held in perpetuity by the School.

c) Cash and cash equivalents

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

d) Donated services

Donated services are recognized only if the services received either create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

e) Property and equipment

Additions to physical plant and facilities are capitalized and stated at cost at the date of acquisition or at fair value at the date of donation for gifts. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation is provided by utilizing the straight-line method over estimated useful lives of the assets which ranges from three to forty years.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2014 and 2013

1) Summary of significant accounting policies (continued)

f) Recognition of donor restricted contributions

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Restricted net assets whose restrictions are met in the same reporting period are reported as unrestricted net assets.

g) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of certain contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

h) Income tax status

The School has received a tax-exempt ruling under Section 501(c)(3) of the Internal Revenue Code, and accordingly, is not subject to federal taxes unless the School has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2010 and later remain subject to examination by the taxing authorities. As of June 30, 2014, management of the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

i) Accrued payroll

Teachers at the School are paid over twelve months, even though school is only in session for ten months. Because of this, the salary for the current school year that is paid subsequent to June 30, 2014 is recorded as accrued expenses.

j) Functional expenses

The cost of program and supporting services has been reported on a functional basis. Accordingly, this requires that allocation of certain costs based on total program costs and estimates made by management.

k) Designation of unrestricted net assets

It is policy of the Board of Directors of the School to review its plan for future property improvements and acquisitions from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such improvements and acquisitions.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2014 and 2013

2) Concentrations of credit risk

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The School may, at times, have deposits in excess of the FDIC insured limits. The School has not experienced any losses in such accounts. The School has no policy requiring collateral or other security to support its deposits.

3) Financial assistance

The School receives all of its support from the Louisiana State Department of Education and the United States Department of Education. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred. As of June 30, 2014 and 2013, grants receivables totaled \$106,415 and \$63,555, respectively, which was a receivable for federal grants passed through the Louisiana Department of Education. The balance is considered fully collectible.

4) Property and equipment

A summary of property and equipment as of June 30, 2014 and 2013 follows:

	<u>2014</u>	<u>2013</u>
Furniture and equipment	\$ 130,497	\$ 130,497
Leasehold improvements	21,087	21,087
Building	1,545,340	-
Land	<u>78,000</u>	<u>-</u>
	1,774,924	151,584
Less: accumulated depreciation	<u>(90,220)</u>	<u>(47,503)</u>
Total	<u>\$ 1,684,704</u>	<u>\$ 104,081</u>

5) Commitments and contingent liabilities

a) Operating leases

The School leases a facility under the provisions of a long-term lease agreement classified as an operating lease. The lease expires in October 2014. Future minimum lease payments under the noncancellable operating lease are as follows:

Fiscal year ending June 30:	
2015	\$ 38,107

Rental expense under the lease for the years ended June 30, 2014 and 2013 totaled \$114,322 and \$108,632, respectively.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2014 and 2013

5) Commitments and contingent liabilities (continued)

b) Professional services agreement

Effective February 22, 2011, the School entered into an agreement with Connections Academy of Louisiana, LLC (CA) through June 30, 2016, unless terminated by either party.

CA provides educational services, including instructional materials, personalized learning plans for each student, assessments, standardized tests, administrative staff, community coordinators and group activities, teaching staff, educational resource center, instructional staff support and development, learning management system, software, hardware, and internet access, technical support and maintenance, student records, and services to special needs students. CA also provides administrative services, including reporting, and management services.

For the years ended June 30, 2014 and 2013, the School incurred expenses to CA of \$10,195,424 and \$9,378,487 respectively. Included in accounts payable at June 30, 2014 and 2013, were payable to CA of \$880,311 and \$885,402, respectively.

c) Litigation

The School is contingently liable for claims and judgments resulting from lawsuits incidental to normal operations. In the opinion of the School's management and legal counsel, adverse decisions that might result, to the extent not covered by insurance, would not have a material effect on the financial statements. No provision has been made in the financial statements for possible losses of this nature.

6) Limitations on net assets

The School's board of directors has chosen to place the following limitations on unrestricted net assets:

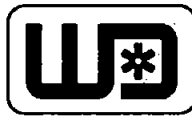
	<u>2014</u>	<u>2013</u>
Undesignated	\$ 2,820,616	\$ 624,020
Designated for purchase of building	<u> -</u>	<u>1,600,000</u>
Unrestricted net assets	<u>\$ 2,820,616</u>	<u>\$ 2,224,020</u>

In February 2014, the School purchased a building to serve as its new facility, releasing the board's designation on net assets.

7) Subsequent events

Management evaluated subsequent events through December 17, 2014 the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

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**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Friends of Louisiana Connections Academy

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Friends of Louisiana Connections Academy and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data for the year ended June 30, 2014, accompanying the annual financial statements of Friends of Louisiana Connections Academy and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. Management of Friends of Louisiana Connections Academy is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplementary information are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the categories reported on Schedule 1.

Findings: None.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to Connections Academy of Louisiana supporting payroll records as of October 1, 2013.

Findings: None.

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Education Levels of Public School Staff (Schedule 2) (Continued)

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Findings: None.

4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

Findings: For two teachers selected, the education level reported did not agree to the employee's personnel file.

Corrective action plan: The school is reviewing its teacher education records and will make the necessary prospective changes.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings: None.

Experience of Public Principals, Assistant Principals, and Full-time classroom Teachers (Schedule 4)

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2013 and as reported on the schedule. We traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

Findings: None.

Public School Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salaries, extra compensation, and ROTC or rehired retiree status as well as full-time equivalents as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Findings: None.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Findings: None.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We traced a random sample of 10 classes to the October 1, 2013 roll books for those classes and determined that the class was properly classified on the schedule.

Findings: None.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School.

Findings: None.

Graduation Exit Examination (GEE) (Schedule 8)

11. Information is not applicable for 2013 and is shown for historical purposes.

Findings: None.

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled the scores as reported by the testing authority to the scores reported in the schedule by the School.

Findings: None.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of Friends of Louisiana Connections Academy, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 17, 2014
Metairie, Louisiana

Wegmann Daxet + Company

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
SCHEDULES REQUIRED BY LOUISIANA STATE LAW
(R.S. 24:524 – PERFORMANCE AND STATISTICAL DATA)

As of and For the Year Ended June 30, 2014

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. Degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the AFSR.

Schedule 4 - Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full time classroom teachers. This data is currently reported to the Legislature in the AFSR.

Schedule 5 - Public School Staff Data: Average Salaries

This schedule includes average classroom teachers salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the AFSR.

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report.

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - Graduation Exit Examination (GEE)

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This information is not applicable for 2014 and is shown for historical purposes only.

Schedule 9 - iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
Baton Rouge, Louisiana
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2014

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,891,735	
Other Instructional Staff Activities	259,812	
Instructional Staff Employee Benefits	558,592	
Purchased Professional and Technical Services	838,900	
Instructional Materials and Supplies	2,552,547	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>6,101,586</u>	6,101,586

Other Instructional Activities		510,026
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Pupil Support Services	677,559	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services	<u>677,559</u>	677,559

Instructional Staff Services	159,864	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	<u>159,864</u>	159,864

School Administration	1,632,066	
Less: Equipment for School Administration	-	
Net School Administration	<u>1,632,066</u>	1,632,066

Total General Fund Instructional Expenditures (Total of Column B)	<u>\$ 9,081,101</u>
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Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)	<u>\$ -</u>
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Certain Local Revenue Sources

Local Taxation Revenue:

Ad Valorem Taxes

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Sales and Use Taxes	-
Total Local Taxation Revenue	<u>\$ -</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	70,177
Total Local Earnings on Investment in Real Property	<u>\$ 70,177</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ -</u>

Nonpublic Textbook Revenue	<u>\$ -</u>
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Nonpublic Transportation Revenue	<u>\$ -</u>
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See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
BATON ROUGE, LOUISIANA
Education Levels of Public School Staff
As of June 30, 2014

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than Bachelor's Degree	0	0.00%	1	100.00%	0	0.00%	0	0.00%
Bachelor's Degree	21	51.22%	0	0.00%	1	33.33%	0	0.00%
Master's Degree	18	43.90%	0	0.00%	2	66.67%	0	0.00%
Master's Degree +30	1	2.44%	0	0.00%	0	0.00%	0	0.00%
Specialist in Education	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Ph. D. or Ed. D.	1	2.44%	0	0.00%	0	0.00%	0	0.00%
Total	41	100.00%	1	100.00%	3	100.00%	0	0.00%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
Number and Type of Public Schools
For the Year Ended June 30, 2014

Type	Number
Elementary	0
Middle/Jr. High	0
Secondary	0
Combination	1
Total	1

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
BATON ROUGE, LOUISIANA
Experience of Public Principals, Assistant Principals
and Full Time Classroom Teachers
For the Year Ended June 30, 2014

	0-1 Yr.	2 - 3 Yrs.	4 - 10 yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Principals	-	-	1	-	-	2	-	3
Classroom Teachers	3	5	21	6	3	2	2	42
Total	3	5	22	6	3	4	2	45

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
BATON ROUGE, LOUISIANA
Public School Staff Data: Average Salaries
For the Year Ended June 30, 2014**

	All Classroom Teachers	Classroom Teachers Excluding ROTC Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$ 44,586	\$ 44,586
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 41,963	\$ 41,963
Number of Teacher Full Time Equivalents (FTEs) Used in Computaion of Average Salaries	51.0	51.0

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
BATON ROUGE, LOUISIANA
Class Size Characteristics
As of October 1, 2013

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	232	54.85%	13	3.07%	35	8.27%	143	33.81%
Combination Activity Classes	-	-	-	-	-	-	-	-

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
BATON ROUGE, LOUISIANA
Louisiana Educational Assessment Program (LEAP)
For the Years Ended June 30, 2014 and 2013

School Achievement Level Results	English Language Arts				Mathematics			
	2014		2013		2014		2013	
Students	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 4								
Advanced	3	4%	1	1%	3	4%	2	2%
Mastery	13	19%	17	20%	12	18%	8	9%
Basic	30	44%	34	40%	25	37%	34	40%
Approaching Basic	14	21%	19	22%	8	12%	16	19%
Unsatisfactory	8	12%	15	17%	20	29%	26	30%
Total	68	100%	86	100%	68	100%	86	100%

School Achievement Level Results	Science				Social Studies			
	2014		2013		2014		2013	
Students	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 4								
Advanced	3	4%	3	4%	2	3%	0	0%
Mastery	11	16%	20	24%	10	15%	11	13%
Basic	33	49%	38	45%	33	48%	50	60%
Approaching Basic	17	25%	12	14%	12	18%	13	15%
Unsatisfactory	4	6%	11	13%	11	16%	10	12%
Total	68	100%	84	100%	68	100%	84	100%

School Achievement Level Results	English Language Arts				Mathematics			
	2014		2013		2014		2013	
Students	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 8								
Advanced	4	3%	3	2%	5	4%	3	2%
Mastery	24	18%	16	13%	5	4%	10	8%
Basic	62	46%	61	48%	75	56%	57	45%
Approaching Basic	34	25%	35	27%	22	16%	28	22%
Unsatisfactory	10	8%	13	10%	27	20%	30	23%
Total	134	100%	128	100%	134	100%	128	100%

School Achievement Level Results	Science				Social Studies			
	2014		2013		2014		2013	
Students	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 8								
Advanced	9	7%	5	4%	2	2%	0	0%
Mastery	26	20%	30	24%	22	17%	21	17%
Basic	59	45%	51	40%	64	49%	66	52%
Approaching Basic	29	22%	31	25%	29	22%	20	16%
Unsatisfactory	8	6%	9	7%	13	10%	19	15%
Total	131	100%	126	100%	130	100%	126	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
BATON ROUGE, LOUISIANA
Graduation Exit Exam
For the Years Ended June 30, 2014 and 2013**

This test has phased out and, therefore, is no longer applicable for this School.

**FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
BATON ROUGE, LOUISIANA
iLEAP Test Results**

For the Years Ended June 30, 2014 and 2013

School Achievement Level Results	English Language Arts				Mathematics			
	2014		2013		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	2%	2	4%	2	4%	3	6%
Mastery	9	19%	6	13%	8	17%	4	9%
Basic	21	44%	19	40%	15	31%	22	47%
Approaching Basic	12	25%	14	30%	12	25%	9	19%
Unsatisfactory	5	10%	6	13%	11	23%	9	19%
Total	48	100%	47	100%	48	100%	47	100%

School Achievement Level Results	Science				Social Studies			
	2014		2013		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	5	10%	2	4%	1	2%	0	0%
Mastery	10	21%	16	34%	12	25%	8	17%
Basic	18	38%	14	30%	20	42%	25	53%
Approaching Basic	10	21%	9	19%	9	19%	5	11%
Unsatisfactory	5	10%	6	13%	6	12%	9	19%
Total	48	100%	47	100%	48	100%	47	100%

School Achievement Level Results	English Language Arts				Mathematics			
	2014		2013		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	5	10%	2	3%	2	4%	3	4%
Mastery	12	23%	10	15%	6	11%	7	11%
Basic	26	51%	39	59%	26	51%	27	41%
Approaching Basic	7	14%	13	20%	5	10%	15	23%
Unsatisfactory	1	2%	2	3%	12	24%	14	21%
Total	51	100%	66	100%	51	100%	66	100%

School Achievement Level Results	Science				Social Studies			
	2014		2013		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	3	6%	1	2%	1	2%	4	6%
Mastery	14	27%	13	20%	12	23%	5	8%
Basic	28	55%	41	62%	29	57%	35	53%
Approaching Basic	6	12%	11	17%	6	12%	13	20%
Unsatisfactory	0	0%	0	0%	3	6%	9	14%
Total	51	100%	66	100%	51	100%	66	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
BATON ROUGE, LOUISIANA
iLEAP Test Results (Continued)**

For the Years Ended June 30, 2014 and 2013

School Achievement Level Results	English Language Arts				Mathematics			
	2014		2013		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	1%	3	3%	5	6%	6	6%
Mastery	15	17%	16	17%	8	9%	14	15%
Basic	49	57%	51	53%	44	51%	44	46%
Approaching Basic	10	12%	18	19%	17	20%	14	15%
Unsatisfactory	11	13%	8	8%	12	14%	18	19%
Total	86	100%	96	100%	86	100%	96	100%

School Achievement Level Results	Science				Social Studies			
	2014		2013		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	4	5%	4	4%	6	7%	8	8%
Mastery	20	23%	31	32%	14	16%	15	16%
Basic	46	54%	33	34%	44	51%	32	33%
Approaching Basic	7	8%	23	24%	18	21%	26	27%
Unsatisfactory	9	10%	5	5%	4	5%	15	16%
Total	86	100%	96	100%	86	100%	96	100%

School Achievement Level Results	English Language Arts				Mathematics			
	2014		2013		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	4	4%	6	4%	9	8%	3	2%
Mastery	21	19%	25	18%	9	8%	13	9%
Basic	57	53%	61	44%	64	60%	63	46%
Approaching Basic	19	18%	34	25%	16	15%	37	27%
Unsatisfactory	7	6%	12	9%	10	9%	22	16%
Total	108	100%	138	100%	108	100%	138	100%

School Achievement Level Results	Science				Social Studies			
	2014		2013		2014		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	9	8%	4	3%	3	3%	1	1%
Mastery	31	29%	25	18%	20	19%	18	13%
Basic	41	38%	54	39%	43	40%	58	42%
Approaching Basic	22	20%	42	31%	30	28%	37	27%
Unsatisfactory	5	5%	12	9%	11	10%	23	17%
Total	108	100%	137	100%	107	100%	137	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

CLIFTON W. NEWLIN
ROBERT D. WATKINS
EDWARD G. BERBUESSE, JR.
JON S. FOLSE



WEGMANN DAZET & COMPANY

MARK D. BOHNET
LISA D. ENGLADE
KERNEY F. CRAFT, JR.
JONATHAN P. KOENIG
JOHN D. WHITE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Friends of Louisiana Connections Academy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Friends of Louisiana Connections Academy (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Friends of Louisiana Connections Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Friends of Louisiana Connections Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Friends of Louisiana Connections Academy's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Friends of Louisiana Connections Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 17, 2014
Metairie, Louisiana

Wegmann Daxt + Company